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MTRS
MASSACHUSETTS TEACHERS'
RETIREMENT SYSTEM

MTRS Employer Bulletin

Number 14 ■ October 2006

We've scheduled our fall seminars— Please encourage your soon-to-be retiring employees to attend!

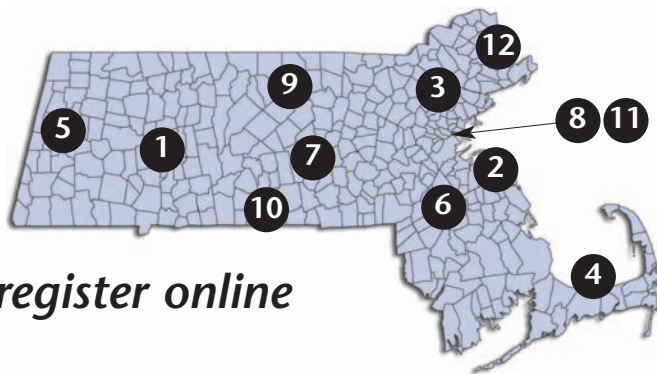
As we announced in a broadcast e-mail to you earlier in October, *Ready for Retirement* is an optional, free, two-hour program (4–6 p.m.) for MTRS members retiring in 2007. We're going on the road to reach out to our soon-to-be retirees because we anticipate a substantial increase in the number of retirements this season, and this seminar will give members the best opportunity to meet the MTRS staff and learn about the most recent changes that may affect their retirement.

At *Ready for Retirement*, members will learn about:

- estimating their retirement benefits under the regular and RetirementPlus formulas;
- purchasing creditable service;
- completing and submitting their application for retirement;
- various issues they need to consider in retirement, such as health insurance coverage, taxation of their retirement benefit, Social Security—and more!

Upcoming *Ready for Retirement* seminar locations and dates—

- | | |
|--|--|
| 1 Holyoke , Thursday, November 9,
Holyoke High School | 8 Cambridge , Thursday, November 30,
MTRS Cambridge office |
| 2 Weymouth , Monday, November 13,
Chapman Middle School | 9 Gardner , Thursday, November 30,
Gardner High School |
| 3 Medford , Wednesday, November 15,
McGlynn School | 10 Sturbridge , Monday, December 4,
Tantasqua High School |
| 4 Barnstable , Thursday, November 16,
Barnstable High School | 11 Cambridge , Tuesday, December 5,
MTRS Cambridge office |
| 5 Lee , Monday, November 20,
Lee High School | 12 Ipswich , Thursday, December 7,
Ipswich High School |
| 6 Taunton , Monday,
November 20,
Taunton High School | |
| 7 Shrewsbury , Tuesday,
November 28,
Shrewsbury High School | |



Members simply need to **register online**
at **mass.gov/mtrs**

at least a week before the program they wish to attend—it's easy!

Government Accounting Standards Board requirements regarding post-employment benefits to retirees—

Your GASB 45 data: Can the MTRS provide it?

**Yes, we can provide you with data—
but subject to certain restrictions and limitations.**

If your district:

- **participates in the Retired Municipal Teachers' (RMT) program** administered by the Group Insurance Commission (GIC), the MTRS will disclose a retiree's Social Security number, address and/or telephone number, but cannot disclose the retiree's premiums, plan types, or other health and life insurance information. If you are unable to obtain that data locally, you may contact the Fiscal Department of the GIC at 617-727-2310, ext. 7026.
- **administers your retirees' insurance coverage**—in which case the MTRS simply provides the "accounting" services to withhold and transmit your retirees' premiums pursuant to your instructions—then the MTRS can provide you with your retirees' identification and insurance data (Social Security number, address and/or telephone number, as well as the insurance premiums, plan types, and/or other health and life insurance information).

To request GASB 45-related data from the MTRS, please send your request via e-mail to insuranceupdates@trb.state.ma.us.

Why we can—and cannot—disclose certain data

As you are probably aware, the Government Accounting Standards Board Statement 45 ("GASB 45") requires all state and local government entities to measure and disclose the liabilities associated with providing health insurance and other non-pension, post-employment benefits to current and future retirees. For information about the GASB 45 requirements and filing deadlines, please go to www.gasb.org.

In recent months, we have received a number of requests for retiree data from districts whose actuaries have requested the data in order to determine the district's GASB 45 liabilities. We are happy to accommodate such requests to the extent feasible,

and to the extent the disclosure of said retiree data complies with public information standards pursuant to M.G.L. c. 4, sec. 7(26); M.G.L. c. 66, sec. 10; 840 CMR. 6.00; and, 807 CMR 15.00.

As you may know, in general, the following items are **private** information:

- anything related to the reason for a disability retirement or application, especially medical information;
- anything "personal," e.g., marital status, number of children;
- Social Security number;
- contributions to, or balance of, annuity savings account;
- amount or nature of any of the deductions from the retirement allowance;
- retirement option;
- beneficiary information (active or retired); and,
- home address or telephone number of active or retired member.

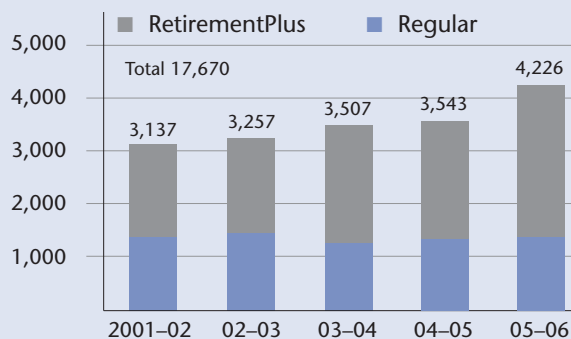
However, the MTRS and many other retirement systems have, by regulation, provided for the limited disclosure of member information to municipalities and school districts in connection with their retiree health insurance programs, including GASB 45 reporting. Pursuant to 807 CMR 15.01, the MTRS is authorized to provide a member's address, telephone number and Social Security number to a school district or municipality provided that such personal information is used in connection with the administration of health benefits, retirement benefits or some other form of benefit. Please note, though, that the amount of a retiree's health insurance premium and the type of his or her health insurance plan are not public information and cannot be disclosed by the MTRS. (In the case of non-RMT districts, however, the MTRS may report such information back to the local insurance coordinator who provided it to the MTRS; in these circumstances nothing is being disclosed because we received the original information from the district to begin with.)

As predicted, 2006 was a record-setting retirement season—and we expect to break the record next year!

During the 2006 retirement season (October 1, 2005 through September 30, 2006), we retired a record-setting 4,226 educators. We are very pleased to report that, despite the unprecedented number of applicants, **94 percent** of the members who requested a June 30th retirement date and who filed "on time" (by March 31, or three months before their date of retirement) received their first check by the end of August.

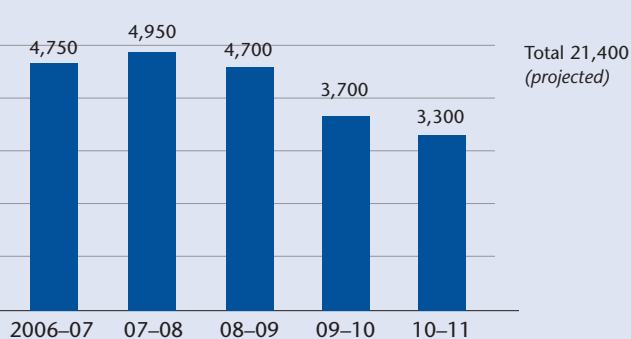
The last five years...

In the last five years, nearly 18,000 members retired under the regular and RetirementPlus plans.



...and the next five years

In the next five years, we project that approximately 21,400 members will retire—an increase of 19 percent over the last five years.



R E M I N D E R S & U P D A T E S

Thank you for making our summer training series a success!

More than 450 payroll and business administrators attended our ten seminars across the state

On August 11th in Hyannis, the Employer Services unit presented the last session in our 2006 summer employer training series. This year, more than 450 school district payroll and business administrators attended one of the nine seminars offered in locations around the state. This year's topics included an introduction to our new online member enrollment process, a discussion of regulatory rulings affecting ELBO plans, and presentations on regular compensation and the rules governing working after retirement.

To everyone who attended, thank you for taking the time to ensure that you are up to date on the latest retirement information. **You** provide us with valuable firsthand feedback, and we truly appreciate not only your help in working with our members, but also your almost daily assistance to us in confirming members' employment service and salary information throughout their careers.

Thanks, too, for completing our evaluation form and giving us your comments on our services and processes. We were heartened to find that, in the category of "Overall quality of service by MTRS staff," we were rated "Excellent," the highest score, by 87 percent of our respondents. As we say on our evaluation form, "At the MTRS, quality counts," and we will continue to work to provide you and our members with the best service at all times.

For those of you who were unable to attend, we have now posted the 26-page presentation guide online, in pdf format, at mass.gov/mtrs/4emp/4empmat.htm. ■

Attention new payroll officers and business managers: Watch for our upcoming training sessions just for you!

In early December we will offer, in our Cambridge and Springfield offices, a series of training sessions for new school payroll officers and business managers. Watch your e-mail for an announcement of the dates. ■

If you haven't already sent us electronic or paper copies of your collective bargaining agreements, please send them

If you've already done so, thank you!

We're happy to report that school districts are responding to our requests for electronic copies of their collective bargaining agreements, sending them to us via e-mail attachment. As a result, we are expanding our electronic contract archive. Having this information is facilitating retirement processing by eliminating much of the back-and-forth communication with employers.

If you have already sent us your contracts, thank you! If you haven't yet, please do so at your first opportunity. If your district is among those where contracts are currently unsettled and negotiations are in progress, simply notify us by e-mail. Kindly e-mail your contracts to us at empsup@trb.state.ma.us. ■

Help us keep our members informed— Encourage employees to register to receive MTRS M@il

It's free and it's easy!

We'll deliver retirement updates right to our members' desktops when they register to receive MTRS M@il. To the extent that you distribute any newsletters or make any announcements to staff, please encourage MTRS members to sign up.

They just need to give us their e-mail address and they'll get advance notice of upcoming seminars, important announcements and retirement news. The process is very easy—all the member needs to do is:

- 1) Go to mass.gov/mtrs.
- 2) Click on **MTRS M@il** in the left margin.
- 3) Complete the simple online form with his or her MTRS member status (active), name, MTRS member number (if known) and e-mail address.
- 4) Watch for periodic e-mail updates from us!



FROM THE EMP SUP@TRB.STATE.MA.US INBOX —

Q: Occupational therapists and physical therapists: Are they eligible for enrollment in the MTRS?

The MTRS allows physical therapists (PTs) and occupational therapists (OTs) to enroll if they meet four eligibility criteria. They must be:

- 1) licensed by the state Board of Allied Health Professionals;
- 2) employed on at least a half-time basis (50 percent FTE);
- 3) covered by an employment contract or CBA; and,
- 4) employed in a position that requires licensure.

We are aware that some PTs and OTs are employed on a “per-case” basis, or work a variable schedule. These employees are not eligible for membership in the MTRS unless they are covered by a contract that requires at least 50 percent FTE at all times. For example, if a physical therapist is employed under a contract that allows

a variable schedule, and he or she works more than half-time some weeks, but less than half-time in other weeks, he or she is not eligible for membership in the MTRS.

As long as their contracts require at least half-time employment, it is acceptable for OTs and PTs to be paid on an hourly basis. In this circumstance, hourly pay is accepted for pension withholding because it is pay received for performing the primary job. There is a distinction between pay for the primary job and extra pay for additional duties. Pay for additional duties, except athletic coaching and school lunch duty, is not pensionable if paid on an hourly basis.

In all instances where you are unsure of a new employee’s eligibility, please contact your district’s Employer Service Representative for assistance and we will be happy to help! ■

Q: I have heard that some school district administrators advise retiring members to request a “letter of creditable service” from the MTRS. Is this something I should do?

No—it is NOT necessary for retiring members to obtain a “letter of creditable service” from the MTRS. We have recently found, however, that this is a common misconception among both employer representatives and members. Accordingly, and we have included a note in our latest newsletter to active members to let our soon-to-be retirees know that they do **not** need a letter of creditable service from us in order to complete their retirement applications.

As we explained to members in our newsletter (mass.gov/mtrs/7pubs/77pdfs/AdvisorActiveFall2006.pdf; 8 pages, pdf), on the retirement application, we ask only that members provide us with their “best estimate” of

their total number of years of service. When we then process their applications, we determine their exact amount of creditable service and notify them of the total before their benefit is finalized. ■

Do you have a question about enrolling a member, withholding retirement contributions, establishing contribution rates or submitting payroll deductions?

If so, please submit it to us at

empsup@trb.state.ma.us and we’ll reply via e-mail.

We’ll publish the Q&A that we think might be helpful to your colleagues in a future Employer Bulletin!